

JUSTIFICATION FOR OTHER THAN FULL AND OPEN COMPETITION

1. Contracting Activity: Department of Veterans Affairs (VA)
Office of Acquisition Operations
Technology Acquisition Center
23 Christopher Way
Eatontown, New Jersey 07724
2. Description of Action: The proposed action is a firm-fixed price (FFP) contract that shall consist of a one-year base period and three, one-year option periods. The base year will be primarily for back-end management system development and revisions to the front-end development based on a formative evaluation being conducted within VA as well as continuation of current hosting support that expires in November 2014. The option years will be primarily for content revisions and the management and hosting of the content. This sole source action will be issued to MarStrats, LLC, (MarStrats) 3900 Delmar Boulevard, St. Louis, Missouri 63130.
3. Description of Supplies or Services: The proposed sole source action with MarStrats is a unique project of innovation in the development of a series of game-motivated modules which rely on gaming features (i.e. animated avatars and synchronized scoreboards for individual players and teams) in order to educate Veterans of the benefits available to them from VA. Under the current contract, MarStrats developed the front-end of the management system. The system is end-user friendly and consistent and supportive of the architecture defined for the Veterans Health Administration (VHA) patient education management system (PEMS) to provide compliance for transition within the PEMS architecture. MarStrats shall provide continued development of the system. This includes multimedia modules with animated avatars and a functioning scoreboard via integration of back-end software management to allow evaluation and revisions as needed to modules and to the front-end management system. The end result shall be a non-proprietary end-user friendly product which will be owned by VHA and consistent and supportive for transition to the VHA PEMS architecture. In addition, the contractor shall provide hosting services. The total price of the proposed action is [REDACTED] inclusive of options.
4. Statutory Authority: The statutory authority permitting other than full and open competition is 41 U.S.C.3304(a)(1) as implemented by the Federal Acquisition Regulation (FAR) Subpart 6.302-1 entitled, "Only One Responsible Source and No Other Supplies or Services Will Satisfy Agency Requirements."
5. Rationale Supporting Use of Authority Cited Above: MarStrats was awarded the current contract via competitive acquisition in September 2012. The current contract was for a one-year base period with three, one-year option periods. The contract is currently in Option Year 1 for hosting and software patches and expires on November 27, 2014. Option Year 2 and Option Year 3 will not be exercised as the hosting will be included in this effort. It is essential that MarStrats continue to provide the customized service and product development of the game-motivated

web-based application. Specifically, MarStrats shall provide back-end development not included in the current contract. Under the current contract, MarStrats developed the front-end of the management system with the plan for the back-end management system to be provided by PEMS that would be supported by VHA. Due to unforeseen Government delays, PEMS has not yet been put into operation within VHA. As a result, this project will begin its formative evaluation in June 2014. The formative evaluation requires a functioning system for user evaluation as well as the ability for back-end functioning in order for it to be gamified. A sole source contract to MarStrats is required to ensure continuity of product development and reliable operation of game-based features. This is a highly customized product that has invested in development of game-based animated 508/Sharable Content Object Reference Model (SCORM) compliant content using innovative technology that has not been typically used in this organization. MarStrats provides multiple services that have been packaged specifically to develop this customized product. MarStrats has provided graphic designers which have developed three unique custom avatars which require synchronized animation. In addition, there are three specific actors who provide voice-overs for this series of 16 modules which require modifications based on the planned evaluation. No other company can duplicate the support of these customized services. Accordingly, MarStrats is the only firm capable of providing the services described above without VHA experiencing substantial duplication of cost that could not be expected to be recovered through competition and unacceptable delays in fulfilling its requirements and ultimately put the entire program in jeopardy. If another vendor were to be selected, additional risk would be incurred as a new vendor would incur a steep learning curve while gaining familiarity with the current product and would not have the ability to revise current content without recreating the entire product, due to cessation of current contracting and sub-contracting services.

6. Efforts to Obtain Competition: Market research was conducted, the details of which are in the market research section of this document. This effort did not yield any additional potential sources who could meet the Government's requirements. There is no competition anticipated for this acquisition which would satisfy the Government's requirements. Additionally, the proposed action will be synopsisized on the Federal Business Opportunities Page in accordance with FAR Part 5.
7. Actions to Increase Competition: Once this non-proprietary product is fully developed and functioning, VAVHA will evaluate its efficacy and make a final determination in its value of use for Veterans, thereafter the Government will either internalize this product and assume responsibility for its ongoing development and function or develop a plan for universal development where multiple vendors can perform the customized services required.
8. Market Research: Market research was conducted in Fiscal Year 2014 by researching other possible vendors that could satisfy VA requirements. The Government's technical experts considered having this procurement competed. However, based on the level of customization and the current stage of development, the Government's technical experts concluded that no other vendor (i.e. Alfa

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Partnring, Astronaut Contracting, Automation Creations, eLaunch, Elucid, Carrot NY, Knowledge Media, Pacific Learning Technologies, SAE Technologies, Singareddy, Triad Interactive Media, and XArcExploration Architecture Corporation) could provide the aforementioned front-end and back-end development and ensure continuity of development and reliability of operations of game-based features including: multi-media modules; animated avatars; and functioning scoreboard via integration of back-end software management to allow evaluation and revisions as needed to modules and to the entire front-end management system to this customized development. MarStrats is the original developer and service provider for the development of this customized application and there are no other sources capable of providing continuity in the existing customized support needed for this front-end and back-end development. No other vendor has the required experience in the continuation of developing this customized tool with the already existing avatars and their sub-contracted voice-overs, which are the fundamental mark of innovation of this product. No other vendor can satisfy VA requirements by providing the patches to the front-end development and back-end development of the existing program without compromising the integrity and the development of it. The customized front-end development is artistically driven. To have another vendor complete the patches to the front-end development and provide back-end development would negatively impact the program by having to recreate the modules, avatars, and voice overs. Doing so would cause a significant delay in the program and a duplication of costs which cannot be recovered through competition. Based on the above, the Government's technical experts have concluded that a sole source contract with MarStrats is in the best interest of the Government.

9. Other Facts: None.

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10. Technical and Requirements Certification: I certify that the supporting data under my cognizance, which are included in this justification, are accurate and complete to the best of my knowledge and belief.

Jolie Haun

Date: 5-24-2014

Co-Core Director for
Implementation/Dissemination

Signature: Jolie Haun

11. Fair and Reasonable Cost Determination: I hereby determine that the anticipated price to the Government for this contract action will be fair and reasonable based on comparison to the Independent Government Cost Estimate (IGCE) and price analysis.

Iris Farrell

Date: 5/28/2014

Procuring Contracting Officer

Signature: Iris Farrell

12. Procuring Contracting Officer Certification: I certify that this justification is accurate and complete to the best of my knowledge and belief. As this contract action does not exceed \$650,000, the certification below required by FAR 6.303-2(b)(12) serves as approval.

Iris Farrell

Date: 5/28/14

Procuring Contracting Officer

Signature: Iris Farrell